Government of Saskatchewan

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Cattle Market Update

For the Week Ending October 23, 2015

All prices are quoted in Canadian dollars per hundredweight ($/cwt) unless otherwise stated.

Saskatchewan Feeder Steer and Feeder Heifer Prices ($/cwt)

Feeder Steers		300-400	400-500	500-600	600-700	700-800	800-900	900+ lb.
Oct. 23/2015	Average	$355.17	$320.06	$285.70	$264.29	$248.56	$236.90	$228.50
Oct. 23/2015	Range	340-385	305-337	274-305	255-276	241-258	232-244	225-235
week/week	Change	$5.79	$6.14	$7.32	$2.41	$0.56	-$3.73	N.A.
Oct. 16/2015	Average	$349.38	$313.92	$278.38	$261.88	$248.00	$240.63	N.A.
Feeder Heifers		**300-400**	**400-500**	**500-600**	**600-700**	**700-800**	**800+ lb.**	
Oct. 23/2015	Average	$310.92	$277.38	$253.28	$238.77	$231.08	$228.81	
Oct. 23/2015	Range	294-329	265-295	243-269	232-247	226-241	220-235	
week/week	Change	$5.25	$6.38	$5.15	$1.17	$0.08	$0.73	
Oct. 16/2015	Average	$305.67	$271.00	$248.13	$237.60	$231.00	$228.08	

Source: CanFax

Note: Prices are determined from Saskatchewan auction marts' reports of sale results from Thursday of the previous week to Thursday of the current week. N.A. means not available due to lack of sufficient data.

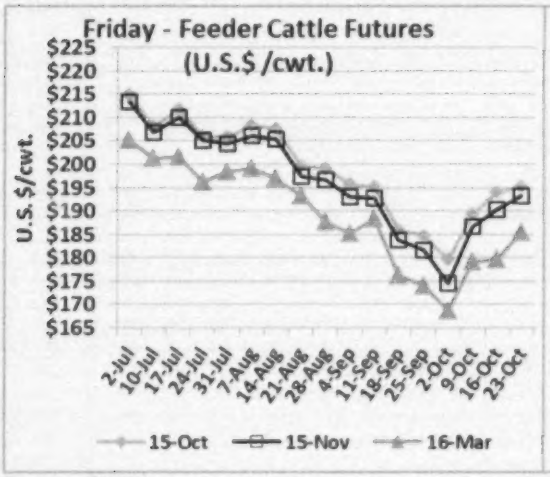
Canfax reported that a total of 36,307 head of cattle were sold in Saskatchewan this week, up from 10,710 head marketed the previous week. Prices were primarily higher while cattle volumes increased significantly from the previous week.

Saskatchewan feeder steer prices were overall higher over the week. Prices ranged between $3.73 per cwt lower to $7.32 per cwt higher, from the previous week. The 500-600 lb. feeder steer weight category had the biggest gain increasing $7.32 per cwt. The 800-900 lb. weight feeder steer weight category had the only loss. Feeder steer prices overall averaged over $3 per cwt higher in the different weight categories.

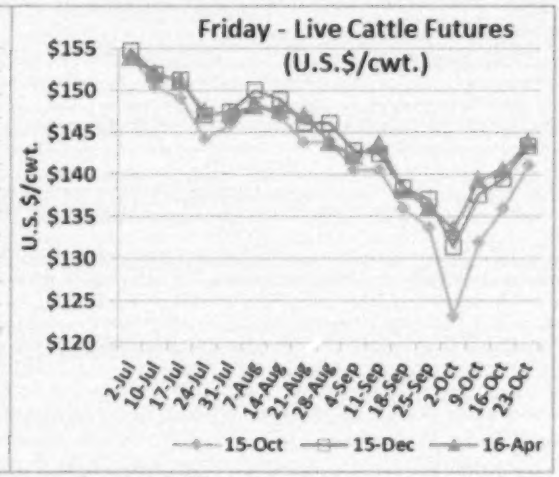
Saskatchewan feeder heifer prices over the week were higher in all weight categories. Feeder heifer prices over the week increased between $0.08 per cwt and $6.38 per cwt. The 400-500 lb. feeder heifer weight category had the biggest gains increasing $6.38 per cwt, while there were no losses over the week. Feeder heifer prices overall averaged about $3 per cwt higher over the week.

The Saskatchewan 750 lb. feeder steer basis compared to the October 22, 2015, U.S. feeder cattle index at US$192.80 per cwt was calculated at $5.46 per cwt (US$192.80/0.7590-$248.56), a basis widening (negative) of $10.71 per cwt from the basis of +**$5.25** per cwt the previous week. The basis reverted back to its normal negative relationship, after being positive for eight weeks.

Feeder cattle futures prices were mixed but primarily increased over the week to end the week higher, week-over-week. The October feeder cattle futures contract increased US$1.250 per cwt to settle Friday at US$195.050 per cwt, while the March 2016 contract increased US$5.850 per cwt to settle Friday at US$185.500 per cwt.



Source: CME



Source: CME

Live cattle futures prices were strong early in the week and mixed later in the week but still ended the week higher, week-over-week. The nearby October contract increased US$5.075 per cwt to settle Friday at US$141.025 per cwt, while the April 2016 contract increased US$3.275 per cwt to settle Friday at US$143.800 per cwt.

Iowa cash corn prices edged higher over the week increasing four cents to settle Friday at US$3.43 per bushel. Corn futures prices also edged higher over the week. The December corn futures contract increased three cents over the week to settle Friday at $3.79¾ per bushel, while the March 2016 contract only increased one cent to settle Friday at $3.88¾ per bushel.

Fed and Non-fed Cattle

	October 23, 2015	October 16, 2015	Change over Week
Steers (Alberta)			
Live	n/a	$169.15	n/a
Rail	n/a	$262-$288.50	n/a
Cows (Alberta)			
D1,2 Live	$112.60	$116.50	-$3.90
D3 Live	$96.80	$100.10	-$3.30
Rail	$215-220	$218-223	-$3.00

Source: Canfax. (n/a = not available, n/c = no change)

Prices for liveweight, non-fed cattle in Alberta were again lower over the week. For the week ending October 23, D1,2 slaughter cows declined $3.90 per cwt to average $112.60 per cwt, while the price of D3 slaughter cows declined $3.30 per cwt to average $96.80 per cwt.

Fed cattle prices in Western Canada for Alberta fed steers were not reported for the week ending October 23. Prices from the previous week of Oct. 16 were reported to average $169.15 per cwt.

The live (FOB feedlot) weighted average 5-area (Texas/Oklahoma/New Mexico, Kansas, Nebraska, Colorado and Iowa/Minnesota) weekly fed steer price in the U.S. was reported at US$135.38 per cwt, up US$2.43 per cwt or 1.8 per cent from US$132.95 per cwt the previous week, but down 19.8 per cent from US$168.79 per cwt the same week a year ago. The dressed (delivered basis) price for U.S. steers delivered to plants in the 5-area was reported at US$208.49 per cwt, up US$3.51 per cwt or 1.7 per cent from US$204.98 per cwt the previous week, but down 21.3 per cent from US$264.79 per cwt the same week a year ago.

On October 23, 2015, the United States Department of Agriculture (USDA) released the monthly *Cattle on Feed Report* for October 1, 2015.

October 1, 2014 and 2015, Cattle on Feed (in U.S. feedlots with 1,000+ capacity)

	2014	2015	Per cent of previous year
On feed September 1	9,719,000	9,986,000	102.7
Placed during September	2,014,000	1,931,000	95.9
Marketed during September	1,683,000	1,642,000	97.6
Other disappearance during September	65,000	57,000	87.7
On feed October 1	9,985,000	10,218,000	102.3

Source: USDA

The USDA Cattle on Feed (COF) report indicated that the number of cattle placed on feed in September 2015 was 1.931 million head, down 4.1 per cent from 2.014 million head in September 2014, but up 18.3 per cent from 1.632 million head placed in August 2015. The number of fed cattle marketed in September 2015 was 1.642 million head, down 2.4 per cent from 1.683 million head in September 2014, but up 3.4 per cent from 1.588 million head marketed in August 2015. The September cattle placements were just over two per cent above the average trade estimates (93.9), while the cattle marketed in September were slightly above the average trade estimates (97.7). The cattle on feed for October 1, 2015 were estimated at 10.218 million head, 2.3 per cent above the October 2014 inventory numbers, but 2.3 per cent above the September 2015 numbers. The average trade estimates were about 0.5 per cent below the October 1 cattle on feed numbers (101.8). The numbers in the report had only small variations to the trade estimates with the biggest difference of two per cent in more cattle placed in September than the average trade estimates. The higher than estimated September placements along with increasing cattle on feed numbers for October will likely be viewed as slightly bearish.

Choice beef cutout prices (600-900 lb.) averaged US$216.03 per cwt over the week, up US$6.57 per cwt or 3.1 per cent from US$209.46 per cwt the previous week, but down 13.4 per cent from US$249.50 per cwt the same week a year ago.

Beef production for the week ending October 24 was estimated at 471.4 million lb., down 3.0 per cent from 485.8 million lb. the previous week, and down 1.3 per cent from 477.7 million lb. the same week a year ago.

USDA released the latest U.S. cold storage numbers on October 22. The United States' beef stocks in cold storage totaled 496.4 million lb. on September 30, 2015, up 5.5 per cent from 470.5 million lb. on August 31, 2015, and up 31.3 per cent from 378.2 million lb. on Sept. 30, 2014. U.S. beef stocks in cold storage are above the average ten year highs for September.

United States combined pork, beef, chicken and turkey stocks in cold storage totaled 2.406 billion lb. on September 30, 2015, up 0.9 per cent from 2.384 billion lb. on August 31, 2015, and up 18.0 per cent from 2.039 billion lb. on September 30, 2014. Total U.S. meat in cold storage for September 2015 is above the maximum storage level over the last ten years.

Friday Price Information

Product		This Week (Oct. 23, 2015)	Week of: (Oct. 16, 2015)	Week of: (Oct. 24, 2014)
Canadian Dollar (closing rate US$)		.7590	.7745	.8918
U.S. Cash Cattle				
Thurs. Feeder Cattle (FC) Index (US$ per cwt)		192.80	188.01	239.55
Seven-day Weighted Average FC Index Wt. (lb.)		738	752	736
Live Fed 5-area Steer Price (US$ per cwt)		135.38	132.95	168.79
Feed Grains				
Barley	Lethbridge ($/tonne)	213.00	213.00	183.00
	($ per bu.)	4.64	4.64	3.98
Corn	Iowa State Average (CDN$/tonne)*	177.91	172.31	137.73
	(US$ per bu.)	3.43	3.39	3.12
	Omaha, NE (CDN$/tonne)*	180.50	176.38	142.59
	(US$ per bu.)	3.48	3.47	3.23
Futures				
	Dec. Corn (US$ per bu.)	3.79¾	3.76¾	3.53
	March Corn (US$ per bu.)	3.88¾	3.87¾	3.66¾
	October Live Cattle (US$ per cwt)	141.025	135.950	168.250
	December Live Cattle (US$ per cwt)	143.400	139.425	166.900
	October Feeder Cattle (US$ per cwt)	195.050	193.800	237.900
	January Feeder Cattle (US$ per cwt)	185.500	182.375	228.900

Sources: Bank of Canada, Iowa Department of Agriculture and Land Stewardship,
Chicago Mercantile Exchange (CME), ICE Futures Canada and USDA Livestock & Grain Market News
* conversion to CDN$ is based on Friday's CDN$ closing rate (This week it is Thursday's CDN$)

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